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# State of the City

Prepared for:

THE CENTRAL PLANNING BOARD  
CITY OF NEWARK, NEW JERSEY

By:

THE MAYOR'S POLICY  
& DEVELOPMENT OFFICE

Consultants:

COOPERS & LYBRAND  
BARTON-ASCHMAN ASSOCIATES, INC.

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# 1. DESCRIPTIVE OVERVIEW

Newark, settled in 1666, was the third major city to be established in the United States. Located 6 miles west of the southern tip of Manhattan, Newark grew to become the largest city in New Jersey. Newark has a diverse ethnic and cultural heritage. The early Puritan and Yankee Protestant settlers were followed by German, Irish, Jewish, Italian and Slavic immigrants. Recently, there has been an influx of Black and Hispanic residents.

As New Jersey's center of urban development, Newark has long been the insurance and financial capital of the State. Its economy has become somewhat more diverse in recent years with a decreasing and changing industrial base, and a moderately growing service sector marked by new institutional and governmental expansion.

Newark continues to be New Jersey's largest and most densely populated city. With a total land area of only 24 square miles, Newark has a gross population density of almost 16,000 persons per square mile making it second only to New York City in terms of U. S. urban densities. Newark's population peaked between 1950 and 1960 at approximately 440,000 persons. Since then it has been on the decline. In 1970, the population was 382,417. Estimates place the 1977 count at about 360,000 persons.

The population downturn that began in the 1950's reflects a complex trend that was common to most older central cities. However, in Newark there was a concurrent in-migration of low income and unemployed persons. The combination of new economically disadvantaged residents and those remaining residents who

were already experiencing the hardships of an economic decline, acted to accelerate a deterioration of the community in the 60's and early 70's.

Although there is a tendency to believe that this trend has "bottomed out", Newark must be prepared to address many of the conditions that are the result of a quarter century of a general diminution of social and economic vitality. The City's stabilization and recovery will depend on how successfully both the public and private sectors can address:

- . an unemployment rate of 15%
- . a median family income of approximately \$10,000 (\$3,000 below the national level)
- . one-third of the population on welfare
- . a low percentage of high school and college graduates
- . two-thirds of the land tax exempt
- . a real estate tax rate that is close to the highest in the country
- . deteriorated municipal facilities
- . persistent housing problems
- . the least park and recreational space per capita in the country
- . an image as a crime ridden, socially disadvantaged and financially bankrupt city.

These conditions, although extremely negative and, at times overemphasized, are stated to clearly reflect the stark reality of a situation that has acted to constrain growth and revitalization in Newark. There are, however, significant opportunities upon which a strategy designed to regenerate the economy can be built.

The City's positive economic resources begin with the financial institutions (\$2.5 billion in assets) and insurance companies (sales second only to New York) that continue to remain in Newark. While there have been some job losses and out-migration in these sectors, a large portion of the real and perceived economic nucleus of the community has been sustained. In the retail sector, Hahnes and Bamberger's continue to provide the major anchors to the Central Business District. With continued commitment by major firms and retail establishments, the core area may again regain some of its former vitality. The \$57 million investment represented by the Public Service Building may act as a catalyst for central area regeneration if properly exploited. Gateway Plaza, an office and commercial urban renewal development adjacent to the Amtrak railroad station (also served by PATH to New York City and the Newark City Subway), is 90% occupied. The Hilton chain recently assumed operation of the Plaza's hotel facility and a new parking structure is planned for the area in conjunction with a \$15 million renovation of the Amtrak station as part of the upgrading of train service in the Northeast Corridor.

Other transportation assets include the Port of Newark, an advanced containerization facility that is first in auto imports (a new Toyota receiving plant was recently opened); Newark International Airport, with modern, easily accessible facilities; the New Jersey Turnpike, traversing the eastern edge of the City; and generally extensive commuter service provided by both bus and train.

New academic facilities which include Rutgers's \$60 million Newark campus, the New Jersey College of Medicine and Dentistry located on a \$90 million campus, and an expansion of the Newark College of Engineering have provided the northwestern part of

the Central Business District with an improved image and a new center of institutional activity. This has helped to spur the James Street rehabilitation effort to restore a small cluster of historic dwellings. Recent programs to provide new housing and encourage additional residential rehabilitation have been successful in selected areas throughout the city.

Finally, the proper application of the resources of the Federal government such as those available from the Department of Housing and Urban Development (HUD), Economic Development Administration (EDA), Environmental Protection Agency (EPA), Department of Health, Education and Welfare (HEW), and other agencies represent a major opportunity for the City. A major thrust of the City's master plan is to present a comprehensive understanding of how these resources, along with others that exist at the State and City level, can be made to work to Newark's greatest advantage.

This report summarizes an initial assessment of the "State of the City" which was developed as background to the preparation of the 1978 Master Plan and Economic Development Strategy. Chapters 2 and 3 focus on the City's economic base and demographic characteristics. Chapter 4 identifies major development issues facing the City in the light of "causal factors" over which the City has leverage. These became the basic considerations in the preparation of the Master Plan and Economic Development Strategy. The figure on the following page identifies the individual sub-areas or planning areas of the City which are referred to in the subsequent sections of this report.





## PLANNING AREA MAP

# Newark Master Plan 1978

Mayor's Policy and Development Office



COOPERS & LYMAN  
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## 2. ECONOMIC BASE

For purposes of analysis, Newark's economic base was divided into three broad sectors. The three sectors -- industrial, service, and trade -- represent the traditional components of a local economic system.

The industrial sector includes contract construction, transportation, mining and manufacturing (mining is economically insignificant in Newark); the service sector includes communications and public utilities, finance, insurance, real estate, personal services, and government; and the trade sector consists of retail and wholesale trade. This level of specificity was selected for master plan purposes to develop the understanding necessary to formulate city-wide strategies. For more detailed, specialized economic analysis, further breakdowns would be appropriate.

Traditional economic base theory acknowledges that the industrial sector drives the economy while the trade and service sectors generally grow in response to basic industrial activity. In the micro-economy of Newark, set within the expanse of the New York metropolitan area, the relationship between sectors is more complex. To assess and understand the cause of existing economic conditions, information must be based on past events, recent trends within the community, the circumstances that exist in adjoining areas, and the general nature of the regional economy.

The Newark economic base is composed of a combination of blue collar industrial firms and white collar services in insurance, finance and government. The trade sector is a lesser component of the current economy, accounting for only about 15% of all Newark jobs.

EMPLOYMENT BY SECTOR - 1977  
City of Newark, New Jersey

Sector	Total	Percent
Industrial	63,300	35.0%
Service	90,700	50.2
Trade	26,000	14.8
TOTAL	180,000	100.0%

Source: New Jersey Department of  
Labor and Industry

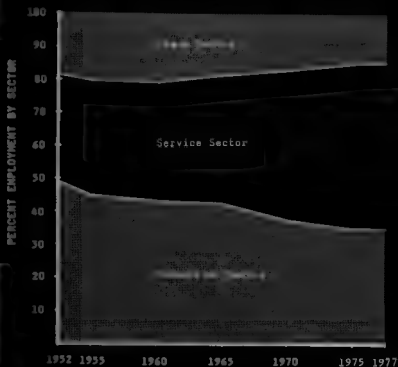
In presenting an overview of the local economy, each of the major employment sectors is discussed. Existing characteristics and past trends allow observations to be made about local sector relationships to determine what areas have potential for economic development. Finally, since the "external" or private sector economy and "internal" public finances are closely related, preliminary observations are made on the effect that changes in the economic base might have on Newark government.

Figure 2.1 displays the employment distribution by sector between 1952 and 1977. Table 2.1 on page 2-3 contains annual employment data for each employment sector for the 1952-1977 period.

FIGURE 2.1

2-3

EMPLOYMENT DISTRIBUTION BY SECTOR, 1952-1977  
City of Newark, New Jersey



Source: See Table 2.1

TABLE 3.1 EMPLOYMENT BY MAJOR SECTOR, 1952-1977  
(In thousands)  
City of Newark, New Jersey

SECTOR	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977
Manufacturing	86.5	86.1	87.1	87.6	86.7	88.3	82.7	83.2	81.8	83.2	77.8	76.2	76.0	77.5	77.3	74.4	69.9	67.1	62.7	56.6	54.9	53.0	50.4	44.3	45.7	45.1
Transportation	11.3	10.9	11.2	10.2	9.9	10.8	11.5	13.4	13.0	13.8	13.9	17.1	16.2	15.1	14.2	13.8	17.8	19.4	16.0	15.8	15.8	16.2	13.9	14.6	14.7	14.6
Construction	7.0	6.1	5.5	5.3	5.9	6.2	9.8	6.2	5.9	7.0	6.2	6.0	6.6	7.4	8.4	7.7	7.5	8.2	7.4	7.1	5.8	6.3	4.9	4.2	3.6	3.6
INDUSTRIAL SECTOR	114.8	115.1	104.0	103.1	102.5	105.3	100.0	102.8	100.7	104.0	97.1	99.3	96.0	100.8	99.5	97.9	94.9	94.7	86.1	79.5	76.5	75.5	69.2	61.1	64.8	63.3
GOVERNMENT	17.4	17.9	18.3	18.9	18.9	18.9	18.8	19.1	19.4	19.1	19.8	19.1	18.9	19.8	19.8	19.8	19.8	19.8	19.8	19.8	19.8	19.8	19.8	19.8	19.8	19.8
Finance, Insurance & Real Estate	23.4	23.8	24.9	23.3	23.2	24.5	23.4	22.2	22.9	22.7	22.6	22.8	22.8	22.4	22.9	23.6	24.0	24.3	24.8	24.7	25.9	24.1	24.3	22.7	21.4	21.9
Communication and Utilities	9.8	18.6	18.4	18.3	18.6	18.5	18.4	18.1	18.3	18.2	18.8	18.9	9.9	9.8	9.8	18.3	18.5	18.9	13.5	18.6	18.8	11.6	11.9	9.4	9.8	8.9
Personal & Related Services	24.0	25.2	24.6	25.4	27.2	28.2	28.5	28.2	31.7	32.7	33.9	33.8	34.5	34.2	35.4	37.1	37.2	38.8	37.5	35.9	38.9	30.6	29.1	25.7	25.5	26.2
SERVICE SECTOR	74.6	76.7	78.5	77.9	80.5	82.2	82.9	83.7	85.8	88.9	89.3	90.3	91.4	91.4	93.9	97.7	99.0	101.9	102.6	109.9	107.1	97.5	95.9	89.6	85.9	90.7
Retail Trade	24.1	25.4	27.0	28.0	28.0	29.1	28.5	27.9	28.1	27.1	27.7	26.3	26.3	28.2	23.6	23.3	21.2	22.3	22.4	21.3	20.6	19.2*	17.5*	16.3	15.8	15.8
Wholesale Trade	18.9	18.4	19.0	18.5	19.1	19.8	17.9	17.8	18.8	18.7	18.7	18.0	18.1	17.9	18.2	17.7	16.9	17.6	16.7	15.3	13.5	12.1*	11.9*	10.4	10.0	11.0
FOOD SECTOR	42.1	43.8	46.0	45.3	48.1	48.1	46.4	45.7	46.9	45.8	46.4	45.1	44.8	43.1	41.8	41.0	38.1	39.8	39.1	36.6	34.1	31.3	29.4	26.7	25.8	26.8
TOTAL EMPLOYMENT	231.5	235.6	229.3	226.3	232.1	234.6	229.3	232.2	233.4	237.8	232.8	234.7	232.6	234.5	235.6	236.6	232.9	236.4	227.8	217.0	217.7	204.3	194.8	179.4	175.7	188.8
Percent of Total Employment																										
INDUSTRIAL SECTOR	49.6	48.9	45.4	45.6	44.2	44.5	43.6	44.3	43.1	43.7	42.3	42.5	42.5	43.5	43.5	42.7	42.9	42.9	42.3	37.0	34.7	34.3	32.3	28.3	30.4	33.5
SERVICE SECTOR	32.2	32.6	34.2	34.4	34.7	35.2	36.2	36.8	36.8	37.0	38.4	38.5	39.3	39.0	39.9	41.3	42.7	43.1	45.0	46.5	49.2	47.7	49.3	49.9	48.9	50.2
FOOD SECTOR	18.2	18.5	20.4	20.8	21.1	20.3	20.2	19.7	20.1	19.3	19.9	19.2	19.1	18.4	17.7	17.3	16.4	16.8	17.2	16.9	15.3	15.1	14.9	14.7	14.8	

Source:

1. State of New Jersey Employment Insurance Coverage (N.J. Department of Labor and Industry) - September Employment figures through 1976.
2. 1977 data based on June, 1977 estimates prepared by the New Jersey Department of Labor and Industry.
3. Information 1951-1972 was obtained from: Economic Development Framework for the City of Newark, June, 1973, Centaur Management Consultants, Inc.
4. Updated data from the New Jersey Department of Labor and Industry includes a correction factor applied to personal and related services (small services and amusements) to compensate for a lack of full coverage (ratio of Essex County Service Jobs by County Business Patterns, U.S. Department of Commerce, Bureau of the Census, to Essex County Service Jobs by state employment insurance coverage estimates).

\* Internal Estimate

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## 2.1 INDUSTRIAL SECTOR

### Manufacturing

Manufacturing is the major component of the industrial sector, accounting for 45,100 jobs in Newark. Most establishments (85%) are small with less than 100 employees. These smaller firms are concentrated in four types of manufacturing: electrical machinery, chemicals, apparel, and fabricated metal products. Taken as a whole, they employ more than 57% of the manufacturing workers in the City.

TABLE 2.2

SUMMARY OF INDUSTRIAL SECTOR JOBS, 1952-1977  
(in thousands)  
City of Newark, New Jersey

Industrial Sector	1952	1960	1967	1972	1976	1977
Manufacturing	96.5	81.8	74.4	54.9	45.7	45.1
Transportation	11.3	13.0	15.8	15.8	14.7	14.6
Contract Construction	7.0	5.9	7.7	5.8	3.6	3.6
TOTAL INDUSTRIAL	114.8	100.7	97.9	76.5	64.0	63.3

Sources: New Jersey Department of Labor and Industry

Manufacturing in Newark while dispersed in all ten planning areas is concentrated in the Central Business District (CBD), Newark Airport/Port Newark, and Ironbound areas. Over two-thirds of the manufacturing jobs are found in these locations with the CBD accounting for the largest number. In the CBD there is considerable manufacturing employment along the entire length of McCarter Highway, especially between High Street and McCarter, south of Raymond Boulevard. The small manufacturing operations are often located in mixed residential, commercial and industrial areas.

Historically, manufacturing was the mainstay of Newark's economy. Twenty-five years ago there were almost 100,000 manufacturing jobs in the City - approximately 40% of the total employment base. Today, manufacturing accounts for only about 25% of Newark's jobs.

Job losses in manufacturing began before World War II; however, since 1952 the rate of loss has remained almost steady at 2,000 per year. The rate of loss tended to diminish during times of economic expansion (1,057 per year between 1960 and 1967) and accelerate during periods of weak industrial production and recession (3,900 per year between 1967 and 1972.) The situation is characteristic of most aging industrial cities in the northeastern United States. This trend, however, can be affected by properly conceived public actions.

The job losses that took place in manufacturing between 1967 and 1977 were generally concentrated between Fralingshuysen Avenue and the Pennsylvania Railroad (Amtrak) and between Raymond Boulevard and Market Street in Planning Area 2. Some of this loss can be accounted for by urban renewal (Planning Area 2) and the closing of a major brewery (Planning Area 5).

These and other employers were affected by one or a combination of factors such as the general economic decline of the period, internal economic failure, aging and/or inefficient facilities, excessive tax burdens, and declining rail service. While some firms have moved into the City, replacements have not kept pace with losses.

The manufacturing component of the industrial sector continues to be an important element of the Newark economy. The downward trend has been both steady and long, but there appears to be opportunities to slow this movement and reinforce the local base with a stable number of manufacturing jobs.

b) Transportation

The transportation component is the second largest employer in the industrial sector with in excess of 14,000 jobs. The major transportation facilities serving Newark also add to the economic base. Because of the variety of skills required in transportation, it typically employs a wide cross-section of the labor force.

Transportation is one area that experienced growth between 1952 and its peak in 1969. In 1951, 11,300 persons were employed in Newark transportation jobs. By 1969, 19,400 were employed. Since 1969 there has been a decline, but the current 14,600 jobs in transportation continue to constitute a larger percentage of the industrial sector than they did in 1952. Employment in this area has been generally stable since 1972.



The 8% of Newark jobs that exist in transportation lie primarily in trucking, port-related work, and airline associated operations at Newark Airport. In terms of industry share, transportation rose from just under 10% of the sector in 1952 to 23% of the sector in 1977. The transportation related facilities in Newark, along with the added potential that may be realized from an upgrading of Northeast Corridor rail service, and greater use of under-utilized port and airport facilities should further increase the significance of transportation in the Newark economy.

c) Construction

Contract construction constitutes about 4% of industrial sector jobs and less than 2% of all Newark jobs. In the industry's best year, 1966, it provided 3.6% of the jobs in Newark. Today about 3,600 are employed in contract construction.

The construction industry traditionally is cyclical in nature and often suffers from high rates of unemployment. Interestingly, although construction jobs are half of what they were 25 years ago, they constitute about the same percentage of workers now employed in the industrial sector, 6.1% in 1952 and 5.8% in 1977. The industry has long been considered a barometer of the activity taking place in other areas. As such, employment in construction will tend to rise and fall in conjunction with events in other sectors. This component has a limited impact on the local economy because of the cyclical nature of construction, the general barriers that exist for new workers to move into the industry, and the high mobility of construction workers within the New York-New Jersey Metropolitan Area.

#### d) Industrial Sector Salaries

The industrial sector in Newark, on the average, provides higher salaries than the other two major sectors of the economy. In 1972, the average annual figure was somewhat less than \$9,000. In 1975, this figure had increased by \$2,000. The same job categories in Essex County had average salaries that ranged from \$1,000 to \$1,500 higher in 1972 and 1975 respectively.

#### e) Industrial Sector Tax Base

The industrial sector of the Newark economy is also important for its contribution to the tax base of the City. In 1976, almost 17% of the total municipal valuation was industrial. Even though firms and jobs in the sector have been diminishing, the decline in industrial valuation during the past seven years has been less than any other active land use area (-5.4%). This relative stability has been achieved through an increased valuation of remaining establishments, along with the added value attributed to new firms that entered Newark in this period. Also, tax abatement for industry has been minimal. Consequently, the level of the industrial tax base has been maintained but with the burden now falling on fewer firms. The industrial sector is a key component of the city's economic base that must be addressed by the programs and projects that constitute an urban development strategy.

### 2.2 SERVICE SECTOR

The service sector of the Newark economy, as a whole, has been the most stable. This can be attributed to the financial,

insurance and utility companies that function somewhat independently of the local economic environment. Also, the growth in the government area has, over an extended period, offset the recent declines in the area of personal and related services.

#### b) Government

Within the service sector, as defined, government is the largest component. Public employment accounts for almost 32,000 jobs in Newark. Government has generally been in a growth situation for the last quarter century. In the ten year period from 1966 to 1976, government employment grew in Newark by 29%. There was a slight decline in the past year; however, the figure will probably remain fairly stable with fluctuations largely dependent on various Federal programs and their levels of funding.

Employment data by government type are not available prior to 1972, but since then, Federal employees in Newark grew from 5,800 to 6,600; the number of State employees in the City grew from 4,300 to 8,300, with a peak of 9,500 in 1976; and local government jobs (total City and County workers) declined from 20,400 to 16,800 since 1972. Much of the local decline during this four-year period can be attributed to a city budget deficit of \$35.7 million in 1975. Nine hundred City workers and approximately 900 members of the Board of Education staff were removed from the employment roles.

The government component of the service sector does not interact with the local Newark economy to the extent that it, by itself, can provide an impetus for growth. However, it does

TABLE 2.3

## SUMMARY OF SERVICE SECTOR JOBS, 1952-1977

(in thousands)

City of Newark, New Jersey

Service Sector	1952	1960	1967	1972	1976	1977
Government	17.4	21.8	26.5	30.5	30.0	31.7
Finance, Insurance and Real Estate	23.4	22.8	23.6	23.7	21.4	21.9
Communications and Utilities	8.8	10.3	12.7	12.6	9.8	8.9
Personal and Related Services	24.8	31.7	37.1	38.9	29.3	28.2
TOTAL SERVICE	74.6	85.8	97.7	107.1	85.9	90.7

Source: New Jersey Department of Labor and Industry

represent a stable, if not growing, element that employs significant numbers of Newarkers. The influx of Federal money insures continuance of reasonable levels of activity, but it must be recognized that an unstable private sector economy can adversely impact local public sector jobs, as it did in 1975.

b) Finance, Insurance and Real Estate

The finance, insurance and real estate component of the service sector is important to the economy of Newark because it provides 22,000 jobs (24% of the sector) and represents a stable base of large firms upon which to expand the local economy. The Mutual Benefit Life Insurance Company, Prudential Life Insurance Company, Blue Cross and Blue Shield, and First National State Bank represent employers that are not solely dependent on local trends for growth. They tend to be able to support growth in other areas of the economy.

The stability of this component is indicated by the fact that employment levels have been almost flat over the last quarter century. There were 23,400 jobs in 1952, 25,900 in 1972, and a slight drop to 21,900 in 1977, largely a result of some shifts of insurance personnel to satellite locations.

c) Communications and Public Utilities

The third component of the service sector, communications and public utilities, employs 9,000 people, 10% of the sector. The number of jobs has not varied by more than 2,000 in the 24-year period from 1952 to 1976. In 1952, there were 9,800 jobs. In 1972 there were 10,800 jobs.

#### d) Personal and Related Services

The one component of the service sector that has experienced significant declines in recent years has been that of personal and related services, as defined by the Bureau of Labor Statistics. This portion of the overall service sector lost 11,500 jobs since 1972. The number of jobs in personal and related services grew from 24,000 in 1952 to 39,000 in 1972. today, there are only somewhat more than 28,000 jobs in this area or 31% of the sector.

The decline represents approximately 16% of all jobs lost in Newark since 1969. The nature of small service businesses reflects its strong dependency on the local economy. As basic jobs were lost in other sectors, the impact on this portion of the economy tended to closely parallel the overall downward trend in jobs and population.

#### e) Service Sector Salaries

In 1972, the average salary in the service sector was approximately \$7,000 a year. Although income levels are higher in all other sectors, except in the retail trade area, the service sector appears to hold the most immediate potential as a base upon which to stabilize the economy.

The sector accounted for 90,700 jobs in 1977, approximately 43% of all Newark jobs. While total service jobs are 7% lower than in 1967, they represent a 22% higher level of employment than in 1952. During the last decade, the service sector as compared to the industrial and trade sectors had the least rate of decline. The insurance companies, banks and planned new Public Service offices, along with continued public support

from the State and Federal government, can do much to help maintain Newark's economic base.

F) Service Sector Tax Base

The service sector of the Newark economy impacts the City's financial situation primarily through real property valuation on development such as office buildings, banks, and personal service establishments that are included in the commercial tax base. Based on approximate space ratios, the sector is responsible for about \$175 million in municipal valuation. The quality and stability of the major properties in the sector tend to ensure that the present 15% of the property tax revenue contributed by the service sector will be maintained at close to current levels. Future impact will depend largely on the use of tax abatement for new construction and the effect that such a policy might have on the use of properties now taxed at full rates. In addition, should public sector employment increase substantially, probably through Federal or State actions or support, the space required to support these added employees will be tax exempt.

## 2.3 TRADE SECTOR

### w) Retail Trade

The trade sector of Newark's economy, made up of retail and wholesale activities, has been diminishing in importance. In the retail area, Newark was the traditional regional center for shopping for much of northern New Jersey. Like most central cities, the influence of the downtown business district has been diminished by the proliferation of suburban shopping centers. For two decades there has been a general decline in retail sales in the City. A brief upturn in 1972-73 was never sustained and the \$790 million sales peak has not been matched when measured on an adjusted basis.

The retail core in Newark, however, has not only been affected by the competition afforded by new growth outside of the city, but by the reduction in city population, the diminishing buying power of remaining residents, and a period of social unrest which has discouraged outsiders from shopping in Newark. Employment in the retail component reached its peak in 1956. At that time there were 30,000 retail jobs in Newark. During the past 20 years there has been a slow but rather steady decline to the present 15,800 jobs. This represents 59% of the jobs in the trade sector, but only 9% of all Newark jobs.

Between 1958 and 1967 the number of retail establishments in the City declined from 5,748 to 3,749, or 35%. Within the Central Business District during the same period the number of establishments dropped from 1,029 to 697, or 32%. Since CBD establishments employ larger number of persons, the decline in jobs was more severe. In 1963, the number of retail jobs in



TABLE 2.4

## SUMMARY OF TRADE SECTOR JOBS, 1952-1977

(in thousands)

City of Newark, New Jersey

Trade Sector	1952	1960	1967	1972	1976	1977
Retail Trade	24.1	28.1	23.3	20.6	15.8	15.8
Wholesale Trade	18.0	18.8	17.7	13.3	10.0	11.0
TOTAL TRADE	42.1	46.9	41.0	34.1	25.8	26.8

Source: New Jersey Department of Labor and Industry

the CBD amounted to 56.7% of all retail employment in the City. By 1967, the proportion had decreased to 47.2%. This increased to 57% in 1973 (corresponding to an upturn in retail sales during the period); however, by 1974 the proportion of CBD retail jobs had dropped to 45.9%, 1.3% below the 1967 level.

#### b) Wholesale Trade

The wholesale trade area in Newark has shown some sales dollar growth; however, it continues to decline in terms of number of firms and persons employed. Wholesale sales totaled \$1.26 billion in 1963, \$1.42 billion in 1967 and \$1.82 billion in 1972. Employment, however, has decreased along with the declining number of wholesale establishments operating within the City. Having remained nearly flat from 1952 to 1966 at 18,000 jobs, employment declined to 13,500 by 1972, to 11,600 in 1976 and to 11,000 in 1977. The number of wholesale establishments within the City declined from 1,130 in 1963, to 961 in 1967 and 677 in 1972.

Today, the 11,000 jobs in the wholesale area constitute 41% of the jobs in the sector and 6% of all Newark jobs. The area is estimated to have 80% of its activity in durable goods and 20% in non-durable goods which include food, gifts, and other perishables.

Most of the wholesalers in durable goods are located in the East Ward, where accessibility to Routes 1, 9, 21 and 22, as well as the New Jersey Turnpike is good. In the non-durable goods area, specialized markets have grown up around Miller Street, Orange Street, and the Farmers Market on Cornelia Street area; dairy goods, fish and seafood are found in the Miller

Street area; and fresh fruits and vegetables are distributed in the Cornelia Street area.

#### #1 Trade Sector Salaries

Salaries in the trade sector usually are somewhat higher than in the service sector but lower than in the industrial sector. The retail portion of the trade sector commands the lowest average salary, but when combined with those in the wholesale area the overall sector salary was approximately \$7,800 in 1972. Since the entire trade sector accounts for only 15% of all Newark jobs, and wages tend to be below those in the industrial sector, as well as some of those in selected areas of the service sector, the commercial component does not constitute a dominant element of the local economic base in terms of either jobs or personal income.

#### #2 Trade Sector Tax Base

Economic vitality in the commercial sector, however, is important to the City's financial condition. The value of commercial properties constituted almost \$230 million in municipal valuation in 1976. This represents approximately 20% of the total real property tax base. When combined with office space, usually considered in the commercial real estate category, the figure increases to 33% of the tax base.

The trade sector should not be looked upon as the primary basis to support a local revitalization effort. In Newark, the trade sector will tend to respond to positive reversals in other sectors (industrial and service). While general commercial revitalization may have a limited impact on jobs and income, it is important as a visible reflection of renewed

economic vitality and for the added tax revenue that would be provided to the City.

#### 2.4 MUNICIPAL FINANCES

The diminishing tax base brought on by urban renewal, public institution and government expansion, property abandonment, vacancies, and tax abatement policies have forced the City to increase local taxes annually between 1970 and 1976. While there were reductions in the rate in 1977 and again in 1978 (from \$9.25 to \$8.99 per \$100 of assessed value), the ability to sustain this reduction will depend on Federal and State assistance levels, the demand for services, and the condition of the local economy.

Along with increasing tax rates, the City also found it necessary to increase its level of indebtedness between 1966 and 1976. During this period, Newark's outstanding long term indebtedness rose from \$58.1 million to \$139.2 million. In addition, bond anticipation notes accounted for an outstanding short term indebtedness in September, 1976, of \$22.2 million. The City has also used tax anticipation notes to acquire the funds needed for operating purposes. In 1975, \$20 million in such notes were issued.

The financial short-fall that occurred in 1975, causing the dismissal of almost 2,000 City and School Board employees, resulted in an inability to sell long term bonds. In 1976, the City, therefore, arranged to have the State qualify its bonds under the New Jersey Qualification Act. To obtain the State's qualification, Newark agreed to curtail spending and limit its issuance of long term notes between October 1976 and October 1978 to \$47 million. Short term bond anticipation notes can

## Table W-1

PROPERTY TAX RATES, 1970-1977  
 City of Newark, New Jersey  
 (Rate per \$100 assessed valuation)

	Municipal Tax Rate	School Tax Rate	County Tax Rate	Veterans' and Senior Citizens' Deductions	TOTAL TAX RATE
1970	\$3.84	\$3.01	\$1.54	\$.05	\$ 8.44
1971	2.95	4.26	1.93	.05	9.19
1972	2.95	4.68	1.95	.05	9.63
1973	2.77	4.68	1.89	.05	9.39
1974	2.92	3.70	1.93	.05	8.60
1975	5.03	2.74	2.12	.05	9.94
1976	5.88	1.90	2.17	.05	10.00
1977	4.77	2.33	2.15		9.25

Source: Bond Prospectus,  
 City of Newark,  
 November, 1976

TABLE 2.6

PROPERTY CLASSIFICATION AND VALUATION  
(valuation in \$000)

Year	Classification						TOTAL VALUATION
	Industrial	Commercial	Apartment	Residential	Vacant Land	Personal	
1970							
No. of Assessments	1,531	7,078	3,571	31,785	2,369	3	46,337
Municipal Valuation	\$210,487	\$427,348	\$165,319	\$352,123	\$12,205	\$74,655	\$1,242,137
1971							
No. of Assessments	1,490	6,608	3,371	31,213	2,432	3	45,117
Municipal Valuation	207,443	426,229	151,107	347,598	12,325	80,179	1,224,881
1972							
No. of Assessments	1,484	6,674	3,179	30,849	2,377	3	44,768
Municipal Valuation	207,010	421,383	147,458	341,038	12,872	84,017	1,213,778
1973							
No. of Assessments	1,431	6,380	2,954	30,173	2,479	3	43,420
Municipal Valuation	206,534	423,872	143,871	335,595	13,652	85,113	1,212,616
1974							
No. of Assessments	1,404	6,234	2,783	29,909	2,461	3	42,794
Municipal Valuation	200,970	418,400	138,730	333,454	14,282	84,968	1,200,805
1975							
No. of Assessments	1,382	6,078	2,631	29,600	2,464	3	42,158
Municipal Valuation	196,160	410,094	135,390	331,098	14,295	100,213	1,187,250
1976							
No. of Assessments	1,358	5,899	2,497	29,195	2,701	3	41,653
Municipal Valuation	199,107	403,375	129,596	327,714	21,458	110,019	1,191,269
1977							
No. of Assessments	1,327	5,733	2,375	28,702	2,595	3	40,735
Municipal Valuation	185,669	375,710	124,335	323,262	22,001	115,817	1,146,794

Source: Bond Prospectus  
City of Newark, New Jersey

still be used for financing critical capital projects, while current operating deficits can be satisfied by a combination of lines of credit at local financial institutions, prepayments of property taxes and tax anticipation notes.

In recent years, only modest amounts of money have been budgeted for capital projects which would improve the local infrastructure that is often required to enhance the economic development environment. The bulk of all capital expenditures have gone to finance deteriorating school facilities. The municipal portion of the overall capital budget has amounted to only about \$5 million in recent years. In 1976, a capital appropriation was virtually eliminated to allow the City to remain within the agreed-to limit on overall capital expenditures.

MUNICIPAL CAPITAL EXPENDITURES (1974-77)  
City of Newark, New Jersey  
(in millions)

1974	\$6.8
1975	6.1
1976	-
1977	4.8

Sources: Capital Budget, City of Newark.

Newark's limited capital funding is not totally augmented by Federal funds. In those cases where Federal money is obligated for capital projects, the City must use it as directed. A significant portion of unrestricted money for community development purposes (from the Community Development Block Grant (CDBG) Program) is used to support community services and administrative needs. Much of the remaining CD money is directed to the Redevelopment and Housing Authority for close-out urban renewal purposes:

Although Newark is able to receive considerable funding from outside sources, it is often difficult to project the duration and level of funding from these various programs. Federal money in the form of restricted grants has increased from \$788,000 in 1971 to \$27.8 million in 1975. The final anticipated level for 1976 was \$41.2 million. These restricted funds are in addition to Revenue Sharing (\$9.2 million), State Urban Aid funds (\$11.5 million), SLEPA and LEAA funds (\$485,000), and various restricted State Aid Grants (\$4 million). In addition, the City received approximately \$20 million in Community Development Block Grant money. Of approximately \$200 million in revenues collected for City use in 1975, only about \$95 million came from local sources. The remainder originated from the State and/or Federal government.

As local revenues become a smaller part of a city's budget it becomes apparent that local control over development policy is inhibited. The necessity to pursue external fund sources serves to dictate many of the activities that are undertaken. With more than half of Newark's money dependent on the fluctuations of external funding levels, with a local tax base that is diminishing, and with service and infrastructure needs that are constantly growing, the City's financial state, although improved, does not permit a level of effort that would raise facilities and services to optimum levels. If the trend toward complete financial dependency is to be reversed, it will be important to carefully select projects, expend available funds and use outside resources where they can have the most impact on improving the local economy.



TABLE 2.7

GENERAL TAX LEVY AND COLLECTIONS, 1970-1976  
City of Newark, New Jersey

Current General Tax Levy	1970	1971	1972	1973	1974	1975	1976
Municipal	\$ 37,203,353	\$ 23,223,904	\$ 23,270,507	\$ 19,635,270	\$ 22,147,528	\$ 44,300,273	\$ 33,200,126
School	37,201,710	52,143,374	46,830,568	56,790,002	44,395,571	32,563,519	22,628,446
County	19,100,512	23,775,500	23,814,646	22,935,332	23,190,462	23,297,434	25,903,071
Reserve for Uncollected Taxes	11,242,000	13,862,800	13,799,000	14,706,000	13,942,200	16,365,500	17,194,400
TOTAL LEVY	\$105,015,575	\$113,008,780	\$117,714,739	\$114,167,404	\$103,675,761	\$110,614,747	\$119,096,044
Total Current Collections	\$ 92,404,537	\$ 99,715,499	\$102,046,935	\$ 99,029,203	\$ 89,333,123	\$101,319,043	\$ 99,578,292
Percent Collected of Current Levy	88.83%	88.34%	87.33%	86.70%	86.33%	88.48%	83.63%
Percent Collected of Current Levy Minus Reserve for Uncollected Taxes	98.63%	100.57%	98.97%	99.67%	99.90%	99.09%	97.72%

Source: County of Essex, New Jersey  
Abstract of Rates and Taxes

3. DEMOGRAPHY

Newark's present demographic situation reflects the interaction of many of the same physical, social, and economic forces that have affected other cities in the Northeastern United States - those of white middle class flight; business and industrial relocation; aging and deteriorating facilities, and an influx of low and moderate income residents. What makes Newark somewhat unique, is the degree to which these social, economic, and physical factors have manifested themselves, and the effect they, in turn, have had on the demographic patterns of the City.

During the first half of this century, Newark experienced substantial population growth, reaching a peak, in 1957, of approximately 440,000 people. Since that time, however, the population the City has steadily diminished. Between 1960 and 1970 the population declined 6% (approximately 22,800 people). This emigration was encouraged by the national economic vitality of the period that afforded many people a great degree of mobility. This national affluence was in contrast to the general deterioration of the quality of life in Newark (in housing, schools, recreational facilities, etc.) and increasing unemployment. The 1967 civil disturbances were a reflection of society's response to these local conditions; however, they actually acted to hasten the economic and social decline that had been established.

Newark, however, was not alone in experiencing population declines during the decade between 1960 and 1970. Three other nearby cities, Trenton, Camden and Jersey City also had losses in population, while three others, Clifton, Irvington and Patterson did not gain in population. Newark's population, and

Industrial/business decline, however, was more pronounced during this period than any of these other cities.

The population shifts in Newark since 1970 are much less clear. While projections have been made by numerous private and public entities, none, by their very nature, can approach the methodological accuracy of actual census counts. Consequently, many of the more specific demographic comparisons and conclusions that have been made are based on available census data.

### 3.1 COMPONENTS OF POPULATION CHANGE

Newark has undergone a steady net population change (decline) since the late 1950's. "Net population change" is the result of measuring the difference between in and out migration (net migration) and birth and death figures (net natural increase) for the time period reviewed.

#### a. Net Migration

Net migration is the result of population shifts. In our highly mobile society people move from place to place, leaving one community to establish residence in another. The difference between those leaving a particular area and those coming to the same area constitutes a locality's net migration figure:

#### Out-Migration

The very sizable White out-migration from Newark is well documented. In 1950 Whites comprised 83% of Newark's population. By 1970 the figure was reduced to 44%. For the 1960-70 period alone, well over 100,000 Whites left the City.

TABLE 3.1

POPULATION CHANGE 1960-1970  
City of Newark, New Jersey

	TOTAL	BLACK	WHITE
1960 Population	405,220	139,331	265,889
Net Natural Increase 1960-1970	52,274	43,198	9,076
Net Migration	-75,077	31,506	106,583
1970 Population	382,417	214,035	168,382
NET CHANGE 1960-1970	-22,803	+74,704	-97,507
Percent Change	-5.6%	53.6%	-36.7%
Estimated 1977 population*	360,924	252,647	108,277

Source: 1960 and 1970 data - U. S. Census of Population

\* 1977 Estimate of population based on school enrollment changes assessed in conjunction with the Newark Master Planning Study

The economic and social significance of this exodus centers on the fact that their departure left a large void in middle and upper income, home-owning families that are crucial to a viable economy.

Blacks also left Newark, 13,500 in the years from 1965 to 1970. This out-migration represented the departure of many of Newark's Black middle class which moved to the suburbs or left the area entirely. While many Blacks left Newark, their numbers were more than offset by Black in-migration.

#### In-Migration

A large Black in-migration of Newark resulted in a positive net Black migration of over 31,000 during the 1960-1970 period.

White in-migration, while sizable (almost 50% of all immigrants during the period were White) was not large enough to offset the very sizable White out-migration.

Also, a significant portion of this "White in-migration" was due to the large growth in the City's Hispanic population (especially Cubans and Portuguese).

Overall, net migration for Newark was negative - approximately 22,800 more residents left the city than entered it in 1960-1970 period, 6% of the total City's population. This trend toward greater out-migration, which actually began in 1958 is still continuing.

#### b) Net Natural Increase/Decrease

Net natural increase/decrease simply reflects the difference in the number of births and the number of deaths that occur in a particular area. Births have almost always exceeded deaths in any given situation; therefore, the term net natural increase is commonly used. The combination of net migration and net natural increase are the two components of population change.

### Births

All ethnic groups in Newark had net natural increases (births minus deaths); however, the rate of this net increase is diminishing. This reflects the national trends that developed since 1960 of parents having fewer children.

The White population's birth rate ranged from 13-17 persons per 1000 population. The Hispanic rate is probably at the higher end of this range, while other "White" groups are at the lower end; however, the degree of difference has not been accurately measured.

The Black birth rate, while slowing down, was still approximately twice the White birth rate during the 1960 to 1970 time period. The birth rate of Blacks was 23-37 births per 1000 population.

### Mortality

Newark had an overall mortality rate of approximately 13 per 1000 population between 1960 and 1970. The White mortality rate, however, during this period was unusually high, approximately 1 1/2 times that of the Black population. The 15 to 16 deaths per 1000 White population partially reflects the higher percentage of aged persons comprising Newark's White population.

The Black mortality rate was 9 to 10 per 1000 population, reflecting the higher percentage of young persons that are part of Newark's Black population.

The net natural increase in Newark was 52,274 between 1960 and 1970. Blacks comprised the major portion of this figure. With the large out-migration of Whites during this period, the number of Whites contributing to the City's net natural increase was only 9,076.

c) Recent Trends

The swift rise in Black population between 1960 and 1970 was more than offset by the dramatic decrease in White population, leading to a net decrease in Newark's total population of 22,803 people. Table 3.2 shows the change in Newark's population by age categories and race.

White emigration has been particularly strong among young families (parents are between 24-44 years of age and have children under 15). Conversely, most of the White elderly, those 65 and over, have remained in Newark.

While the number of Blacks in Newark has increased significantly, two exceptions are worth noting. The relatively small increase in the "under 5" category probably reflects the fact that young Black families, especially those with very young children are also moving from Newark in sizable numbers. Additionally, single adults in the 25-44 age category are probably finding it difficult to locate a job in Newark's depressed business and industrial community and, consequently, are leaving Newark to seek employment elsewhere.

Despite a declining population, the percent of Newarkers in each class of family size has remained almost constant during the 1960-1970 time period. Based on the percent of Newark's population by family size, immigration occurred in proportionately the same family sizes as emigration; however, it does not necessarily mean that those immigrating represent the same economic level or race as those leaving the City.

TABLE 3.2

POPULATION DISTRIBUTION BY AGE GROUP AND RACE 1960-1970  
City of Newark, New Jersey

Age Group/Race	1960	1970	Percent Change
White and Other			
Under 5 yrs	23,220	14,285	-38.5%
5-14	40,072	27,787	-36.4
15-24	32,562	27,624	-15.2
25-44	71,829	40,234	-43.3
45-64	67,514	42,234	-37.4
65 and Over	31,306	22,267	-28.7
Total White and other	266,303	174,431	-34.5%
Black			
Under 5 yrs	20,803	26,960	+28.6%
5-14	28,396	53,001	+86.6
15-24	19,733	36,413	+84.5
25-44	44,227	54,759	+23.8
45-64	20,975	28,123	+34.1
65 and Over	5,195	8,202	+59.8
Total Black	139,331	207,458	+48.9%
TOTAL POPULATION	405,834	381,889	- 5.9%

Source: U.S. Census of Population

POPULATION DISTRIBUTION BY HOUSEHOLD SIZE, 1960-1970  
City of Newark, New Jersey

Persons per Household	1960	1970
1	18%	23%
2	27	25
3 and 4	34	32
5	9	9
6+	10	12
Total	100%	100%

Source: U.S. Census of Population



When conducting an investigation of social change near the end of the ten year period between national censuses, it is difficult to develop accurate data. There are numerous projections, extrapolations and estimates that are made concerning conditions as they presently exist; however, the variations among figures are significant.

It is known that the overall population in Newark is continuing to decline. School enrollment is down, total housing units are down and the number of jobs has declined. However, the changing make-up of the City's total population can not readily be determined. With a loss of more than 4,000 housing units since 1970, and a decline of 11,000 public school students, the estimate of population derived from the school projections performed in conjunction with the educational facilities study of 360,000 persons appears optimistic. Other estimates are as much as 25,000 lower and 15,000 higher than the one selected for the purposes of this study.

In 1970, the Blacks comprised 56% of the total population, an increase of 22% over the 1960 figure and 39% more than 1950. Current estimates range between a percentage in the high 60's to the low 70's. It appears that approximately 250,000 - 260,000 Blacks comprise the major component of Newark's population.

The other large ethnic increase has been among Hispanics. In 1960, this group constituted only about 1% of the total population. By 1970 the figure had increased to 7% of the total. Today, it is approaching twice the 1970 percentage, with an estimate of 40,000 to 50,000 Hispanics living in Newark. These figures are supported by an increase in Hispanic

TABLE 3.3

URBAN RACIAL SHIFTS, 1940-1970  
New Jersey Urban Areas

Urban Area	Percent Non-White of Total Urban Population				Non-white % Change	Non-white % Increase
	1940	1950	1960	1970	1960-1970	1960-1970
Atlantic City	24.6	27.3	36.4	46.8	10.4	28.6
Camden	10.7	14.1	23.8	46.6	22.8	95.8
Vineland	N/A*	N/A*	4.2	17.1	12.9	307.1
NEWARK	10.8	17.2	34.4	63.2	28.8	83.7
Bayonne	2.2	2.4	3.3	5.6	2.3	69.7
Jersey City	4.5	7.0	13.5	28.4	14.9	110.3
Union	0.1	0.1	0.3	7.9	7.6	253.3
Trenton	7.3	11.4	22.6	41.3	18.7	82.7
Paterson	3.1	6.0	14.9	36.6	21.7	145.6
Elizabeth	4.6	6.6	11.0	19.4	8.4	76.4

\*N/A -- Not available, due to change in geographic definition

Sources: Governor's Economic Recovery Commission, Facts,  
Causes, Recommendations; Volume 2, March, 1976.

enrollment in the public schools to over 17% of the student enrollment, a steady annual growth of 1+% over the last ten years. The declines in population, and the accompanying racial shifts between Blacks, Whites and more recently Hispanics, as well Orientals, have been experienced by many cities in the State and Nation.

### 3.2 SOCIO-ECONOMIC CHARACTERISTICS

Employment, income, unemployment and education are key areas that must be affected by the City's economic development strategy. The people of Newark represent the major resource for dealing with economic development. If the economy is to become viable and expand, progress will primarily be made and measured by improved employment levels, personal income and educational attainment of Newark residents.

#### a) Employment

Employment characteristics of the Newark labor force indicate that there is a substantial amount of daily commuting to jobs outside of the City. Approximately 60% of a working population of about 135,000 are employed in non-Newark jobs. Conversely, of the 87,000 jobs located in the Central Business District (CBD), over 70% are held by non-Newark residents. The large percentage (75%) of "white collar" jobs in the CBD, primarily in insurance, banking, and utilities generally do not match resident skills.

Figure 1.1

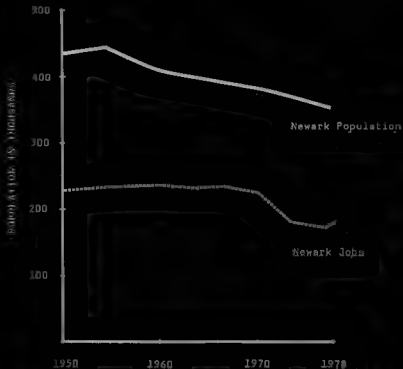
POPULATION AND EMPLOYMENT TRENDS, 1950-1978  
City of Newark, New Jersey

TABLE 2.0 ORIGIN OF EMPLOYEES WORKING IN THE NEWARK CBD, 1970

Origin	Percent Distribution
CBD	1.2%
Rest of City	26.4
Rest of Essex City	31.7
Rest of SMSA (Morris & Union)	16.1
Hudson County	6.5
Middlesex	5.3
Bergen & Passaic	3.8
Rest of New Jersey & New York	3.9
TOTAL	100.0

Sources: 1970 U. S. Census of Population

TABLE 3.5

EMPLOYMENT PROFILE OF NEWARK RESIDENTS  
BY COMPONENTS OF THE ECONOMIC BASE 1970  
(percentage distribution by category)

Employment Sector	Newark Residents			Total Newark Residents	All Newark Jobs
	Black	Hispanic	White		
Construction	4.2%	3.6%	5.6%	4.8%	5.2%
Manufacturing	36.2	62.2	34.8	36.9	27.5
Retail Trade	10.4	9.6	13.5	11.8	9.8
Personal & Related Services	23.9	28.1	19.7	19.4	18.9
Public Utilities and Communi- cations	3.4	1.3	3.8	3.2	3.1
Transportation	4.9	2.9	3.4	3.1	7.8
Wholesale Trade	4.1	3.3	3.7	3.8	7.3
Finance, Real Estate and Insurance	4.8	4.8	8.2	6.2	10.9
Government	7.3	2.4	10.8	8.4	12.6
Other	.8	.3	.2	.4	.8
TOTAL CATEGORY	100.0%	100.0%	100.0%	100.0%	100.0%

Source: 1970 U. S. Census of Population

An employment profile of Newark residents shows that large percentages of people work in manufacturing, retail trade, and personal and related service. For example, although manufacturing constitutes 25% of the jobs in the City and 28% in the region, 62% of Newark's Hispanic working population, 36% of its Black working population and 37% of its White working population are employed in this component of the industrial sector. Approximately 52,000 Newarkers work in manufacturing.

The percentage of resident workers employed in management and professional jobs is small. Only 15% of White workers, 8% of Black workers, and 4% of Hispanic workers who live in Newark are employed in this "white collar" area. Since only about 15,000 people from the City are considered "professionals" and "managers" and a remaining 43,000 are classified as "clerical" or "service" workers, it can be observed that approximately 58,000 Newark workers are employed in a sector that provides more than 90,000 local jobs. The remaining 25,000 employed Newarkers are distributed as follows: 10,000 in construction, 6,000 in retail and wholesale trade, and 9,000 in transportation.

Although these figures are approximate, they indicate the relative character of the local labor force. It can, thus, be determined that the major reasons behind the movement of workers in and out of Newark are a result of a large number of manufacturing workers seeking a diminishing number of manufacturing jobs in the City (96,500 to 45,100 over the past 25 years) and an increasing number of service sector jobs (primarily in government), that do not generally match resident skills and thus draw workers from outside the City.

6. Income

The median family income in Newark is well below the national figure. Based on 1969 data, family income was \$7,734. Blacks, which comprise two-thirds of the City's population, had incomes approximately \$1,000 lower than the median figure for all families. In contrast, the median family income for the Newark SMSA was \$11,845, while the figure for the entire nation was \$9,867.

Almost 15% of the local population earned less than \$3,000 and 45% earned less than \$7,000. In the SMSA, these percentages were to 6% and 22% respectively. At the opposite end of the scale, only 12% of Newark residents earned \$15,000 or more while 33% of the people in the SMSA had income in that range.

Although inflation has acted to increase the income levels that were indicated, increased unemployment and the current cost of living leaves the economic situation in Newark relatively unchanged. In 1975, the median family income in the City was approximately \$10,000, while the national figure had risen to \$13,719.

The low income figures for Newark residents reflect the employment characteristics of the work force. The low percentage of professional and managerial workers and the high percentage of clerical and retail workers indicate that most Newarkers hold lower paying jobs. Manufacturing, which constitutes the one area that employs the most residents, generally pays the highest average salaries; therefore this component of the industrial sector represents the widest opportunity for employment and income generation for local people.



TABLE 3.6

EMPLOYMENT PROFILE OF NEWARK RESIDENTS  
BY OCCUPATIONAL CATEGORY, 1970  
(percentage distribution by category)

Occupational Category	Total Newark Residents			Newark Residents	Total SMSA
	Black	Hispanic	White		
Professional	6.3%	2.2%	10.0%	8.4%	17.7%
Managers	2.0	1.6	4.7	3.4	8.9
Sales Workers	2.7	2.8	4.8	3.8	7.7
Clerical	17.0	8.7	20.3	18.6	20.8
Craftsmen, Foremen	9.8	11.8	12.2	11.0	12.1
Operatives	28.2	50.9	24.2	26.2	14.7
Transportation	7.1	3.8	4.4	5.1	3.5
Laborers	7.5	8.0	6.8	7.1	3.8
Service Workers	13.3	9.8	12.1	13.4	9.7
Private Household Workers	3.7	8.3	8.3	2.8	1.3
TOTAL CATEGORY	100.0%	100.0%	100.0%	100.0%	100.0%

Sources: 1970 U. S. Census of Population

TABLE 3.7

FAMILY INCOME DISTRIBUTION, 1969  
City of Newark, New Jersey SMSA

Family Income	Newark	SMSA
Less than \$ 3,000	14.5%	6.3%
\$3,000 - \$ 6,999	30.1	15.2
\$7,000 - \$ 9,999	20.7	16.9
\$10,000 - \$14,999	22.3	28.6
\$15,000 or more	12.4	33.0
TOTAL	100.0%	100.0%
Median Income	\$7,734	\$11,845

Sources: 1970 U. S. Census of Population

The distribution of income in the City finds those people who generally earn the median wage, or above, in the North and West Wards, with some also located in the South Ward. The poorest area is the Central Ward, followed, to a lesser extent by the East Ward.

### 6) Unemployment

In June, 1977, Newark's labor force of 162,363 had an unemployed figure of 24,444 (14.9%). While this unemployment rate is lower than the 17% rate of 1975, it is still nearly twice the national rate of 7.5% reported in June 1977. It is also much higher than either the Essex County or State of New Jersey rate. The forecast of 1978 unemployment rates for Newark, based on past trends, indicates that unemployment will continue to be high in all categories, for all races and both sexes.

In the 16 to 24 year age group, unemployment rates will be approximately twice as high for Non-Whites and females as they are for Whites and males. Non-White females have the highest rate of unemployment while White males have the lowest rate. In the 16-19 age group, the unemployment rate will be particularly high, especially for Non-White males. The high unemployment in these categories is obviously a reflection of the large gap between the skills these young people can bring to a job, their relative immobility and the type of jobs that are available in Newark. Improvement begins by the time workers reach the 20-24 age category; however, unemployment is projected to remain high, especially among Non-Whites.

In the 25-44 age category, the discrepancy between White and Non-White unemployment figures tends to diminish. In some age groups White unemployment will be even incrementally higher than that for Non-Whites. Within this category, the difference between the male and female unemployment is minimal.

TABLE 3.8

WARD POPULATION DISTRIBUTION BY MEDIAN FAMILY INCOME, 1969  
City of Newark, New Jersey

Median Family Income	Ward Population - 1970 City					TOTAL City
	North	South	East	West	Central	
Under \$7,000	12,715	—	24,492	4,713	47,957	89,876
\$7,000-9,000	45,308	68,837	46,833	40,138	13,216	214,332
\$10,000 and over	28,519	12,367	—	34,774	—	75,660
TOTAL	87,542	82,204	71,326	79,645	61,173	381,890

Source: 1970 U. S. Census of Population  
Census tract data allocated to City Wards

In the age category between 45-64 and for those 65 and over, the differences between White and Non-White unemployment again become more pronounced. The two most notable examples are the relatively low unemployment rates for White males between 45-64 which generally represents those Whites who have held stable jobs and remained in Newark while other Whites were emigrating, and the relatively high unemployment rate for White females 65 and over, representing the many aged Whites in the Newark population, of which many are widows.

The most widely used unemployment statistics are produced by the Bureau of the Census and the Bureau of Labor Statistics. The unemployment statistics produced by these agencies do not attempt to measure all those who are not working, but rather count only those individuals who are "actively seeking employment." Thus, individuals who have given up looking for a job, or who would take a job if available and accessible, but are not "actively" pursuing a job, are not counted. The amount of this undercount is difficult to estimate; however, in any event, the already high rate of unemployment in Newark is actually somewhat higher than the projected figure.

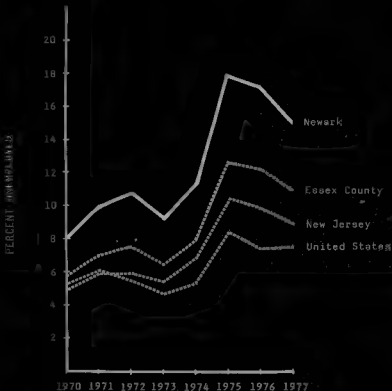
#### d) Education

Educational attainment is one measure of preparation for employment in certain types of jobs. If employment is to be successfully addressed in Newark, resident skills and basic employability must be developed, to a large degree, through the efforts of the public education system.

The level of educational attainment in Newark has been consistently lower than regional and national averages over the past decade. Only 33.3% of Newark residents have a high school diploma. In contrast, 55.1% of those living in the Newark SMSA and 55.2% of all people in the United States have graduated from high school. Further, the median number of school years

FIGURE 3.2

COMPARATIVE PERCENT UNEMPLOYMENT  
City of Newark and Comparative Areas



Source: June 1977, Seasonally Unadjusted  
United States Department of Labor

TABLE 3.9

UNEMPLOYMENT PROJECTIONS FOR 419400 PERSONS, 1975

Age Category	Unemployment Rate			
	White		Black and Other	
	H	F	M	F
14-19 yrs	19.3%	18.1%	49.1%	26.7%
20-24	18.6	11.3	23.8	28.6
25-44	14.8	13.8	11.8	16.3
45-64	8.2	13.6	13.2	11.8
65 and over	13.2	22.4	12.4	14.1
Combined Rate	11.5%		16.7%	

Source: United States Department of Labor

TABLE 3.10

## EDUCATIONAL ATTAINMENT, 1970

City of Newark, Newark SMSA, United States

Years Completed	Percentage of Population 25 Years and Older						
	City of Newark			Newark SMSA			U.S.
	Total	White & Other	Black	Total	White & Other	Black	Total
None	3.4%	4.5%	2.2%	1.8%	1.8%	1.8%	1.5%
1-7 years	23.4	23.9	22.9	12.7	11.1	21.4	12.9
8 years	15.2	18.8	11.1	12.0	12.2	10.9	13.4
High School 1-3	24.7	19.8	30.4	18.4	16.6	28.0	17.1
High School 4	24.5	22.1	27.2	31.4	31.9	28.7	34.0
College 1-3	4.5	4.8	4.1	9.5	10.2	5.3	10.2
College 4 or more	4.3	6.1	2.2	14.2	16.1	4.0	11.0
Median Years Completed	10.0	*	10.4	12.2	*	10.7	12.2

\* Not Available

Source: Bureau of Census, 1970 Census of Population & Housing, New Jersey and 1972 Statistical Abstract of the U. S., Department of Commerce.

TABLE T.11

EDUCATIONAL ATTACHMENT, 1960  
City Newark, Newark SMSA, United States

Years Completed	Percentage of Population 25 Years and Older						
	City of Newark			Newark SMSA			U.S.
	Total	White	Black & Other	Total	White	Black & Other	Total
None	4.5%	5.2%	2.8%	2.5%	2.5%	2.7%	2.3%
1-7 years	29.3	22.3	32.7	16.2	14.3	31.0	19.3
8 years	21.0	22.4	17.6	17.4	17.5	16.5	17.5
High School 1-3	22.0	20.7	24.9	19.7	19.2	23.5	19.2
High School 4	18.5	19.5	16.3	24.9	25.7	18.6	24.6
College 1-3	4.6	5.0	3.6	8.6	9.1	4.5	8.8
College 4 or more yrs.	4.1	4.8	2.1	10.8	11.8	3.3	7.7
Median Years Completed	9.0	*	8.8	11.1	*	9.0	10.4

\* Not Available

Source: Bureau of Census, 1960 Census of Population & Housing, New Jersey and 1972 Statistical Abstract of the U. S., Department of Commerce.



completed is 10.0 for Newark, while the SMSA and national median is 12.2 years. Finally, the number of college graduates per one hundred population in the surrounding SMSA is almost four times as large as the Newark figure (reflecting a loss of professional people who have moved out of the City). The entire Country has a ratio of college graduates that is three times greater than that of Newark.

While these statistics are not particularly encouraging, they become somewhat understandable considering:

- There has been a recent influx of many individuals with limited formal education from the southern United States and outside the Country (principally from Puerto Rico, Cuba, and Portugal).
- During the past 20 years, many people with high school diplomas or college degrees moved from Newark.
- The high "drop-out" rate in the Newark school system "produces" fewer high school graduates from the current population base.

While the number of high school and college graduates is low compared to the surrounding SMSA and to the United States, Newark has made progress since 1960, especially in regard to the advancement made by its Black population. In 1960, only 22% of the Black population had a high school diploma or better, while in 1970, the figure increased to 33.3%.

The gains the City made at the secondary school level were not matched at the college level, although there was some advancement. In the ten years between 1960 and 1970, only .2% more of the people living in Newark hold college degrees. The gain at both the regional and national levels was more than 3%.

The median level of total academic achievement in Newark rose by a full year from 1960 and 1970. The SMSA median level of attainment rose by 1.1 years while the U.S. advanced by 1.6 years. Consequently, Newark while advancing, was not able to keep pace with the progress made by the Region and the Country.

The problem of raising the educational level of its citizens and, simultaneously the skill levels that can be marketed to potential employers, is made more difficult by continuing shifts in population. The Black population advanced its median educational level by 1.6 years (the same as that for the nation) between 1960 and 1970. The overall City figure, however, was reduced to 1.0 by the influx of less educated Whites and Hispanics and additional losses of the more educated of all races.

### 7.3 POPULATION PROJECTIONS

In conjunction with a review of the state of the city, projections of Newark's population were made. The prime purpose of making selected population projections was to establish a basis for the Educational Facilities Supplement to the City's Master Plan. The major projection effort was, therefore, directed toward forecasting student enrollments by school and grade for each year to 1990. The detailed data related to schools are included in the Educational Facilities study materials. It was determined, however, that school enrollment data also provides a rational basis for developing forecasts for overall City population.

It should be recognized that any technique used to develop estimates of future conditions related to social development are subject to uncertainty. However, school enrollment was

considered to be particularly accurate and relevant as a prime indicator of past trends which, when projected, could be used to make a reasonable estimate of the future size of Newark. School data reflect the following characteristics:

- readily available on an annual basis
- reflect both the rate of new births and changes due to in and out migration
- can be related to census tracts or other sub-areas of the city
- generally corresponds to age groupings accounted for in census figures
- expandable to overall population
- can be tracked over time in small increments, from known locations.

The detailed methodology for conducting the forecasts of school enrollments is described in the Educational Facilities Supplement background material. The information obtained from those previously prepared school projections was extrapolated to determine overall city population.

To project population in the City of Newark, elementary school enrollment projections (ages 6-13), were used as the base numbers to be extrapolated. Elementary school population was selected because it tends to be more predictably accurate since:

- records are maintained by school and grade on an annual basis
- elementary school enrollment most closely represents the total number of children in a particular age bracket (6-13)

truancy and non-attendance are lower among elementary school children than at the high school level.

Given the number of elementary school children in each school for each year to 1990, it was then necessary to determine the total number of people associated with a particular student population. Overall population is related to a ratio of elementary school-age children to total number of people. This ratio usually does not remain constant. The social characteristics of the population such as age, income, and attitudes have a bearing on the relative number of children present in a particular segment of society. For example, although the total population in Newark declined from 1950 to 1970, the number of elementary school-age children actually increased during this period. In 1950, elementary school children constituted only about 11% of the total population. By 1970 the ratio had increased to approximately 17% of the total population.

From recent school data, birth rates, and population estimates, this trend appears to have reversed. As the birth rate declines and people of child bearing age leave the City, while more elderly remain, the ratio of adults to children will increase. To determine the present ratio of school-age children to overall population, it was assumed that the current (1977) population of Newark is 360,000. A ratio was then established based on school data. The average decline in population from 1970 to 1977 was used to arrive at a population figure for each year during that period. These figures were compared to school data from each of those years to establish the eight most recent yearly ratios.

In 1971 the ratio decreased, and remained the same in 1972, once increased every year thereafter. It was then assumed that the ratio would continue to increase at a similar rate to 1990. This enabled a ratio to be established for each year from 1978 to 1990. At the rate of increase that was projected from the recent trend, the ratio of elementary school-age children to adults in 1990 would approximate what it was in 1950.

To estimate Newark's future population, the ratios for 1980, 1985 and 1990 were selected to determine the multiplier to be used in extrapolating the school age projections for these years.

Since the elementary school population was projected to decline rather significantly to 1990, the overall City population also shows a decline, even though the ratio total population to elementary school population has been assumed to increase during this period. The projections may be altered by changes in any one of the following conditions that could occur in the City.

- An increase in the birth rate, which has been diminishing in recent years, could increase the number of projected school children and, consequently, the total population.
- A reversal in net-migration brought about by presently unforeseen events.
- Higher ratios of adults to children would increase projections of total population.

It should be recognized that the projections that were made are based on past birth and migration trends without a built-in consideration of a leveling off factor and some reversals that traditionally occur in the cyclical nature of human behavior.

It is important, therefore, to view the projections in terms of the anticipated magnitude of change and not as an exact number to be tightly adhered to. Also, the base assumptions used in making the projections should be reviewed annually based on actual school enrollment data and adjusted appropriately. Major review should occur after the results of the 1980 census of population become available.

The population of the City is expected to continue to decline. The figure for 1990, based on study forecasts, should approach 260,000. The challenge that faces the City, as well as the private sector, is the ability to make those decisions and take the appropriate actions that will act to stabilize the population at a level that is higher than the projections indicate.

POPULATION PROJECTIONS (1977-1990)  
City Of Newark, New Jersey

Year	Elementary School Population	Projected Multiplier*	Total Population
1977	42,362	8.52	360,924
1980	37,533	8.88	333,293
1985	30,017	9.48	284,561
1990	25,388	10.08	255,911

\*Ratio of total population to  
elementary school population

Source: Educational, Facilities Study  
Coopers & Lybrand  
Barton Aschman Associates

#### 4. MAJOR DEVELOPMENT ISSUES

To understand Newark's development environment and gain insight into the conditions that are reflected by economic and demographic data, key development issues have been isolated. These issues were identified by private sector interests, public agencies at the local, regional and State levels, citizen groups, and previously prepared reports. Issues are divided into two areas -- those that were identified in the context of a set of factors associated with economic development (e.g. availability of land, cost of land, property taxes, etc.) and those identified in connection with the typical functional categories of physical and social development normally addressed in a city's master plan (e.g. community facilities, land use, housing, etc.). An awareness of these issues will help establish a basis for relating economic development factors to "quality of life" conditions and permit the preparation of an "action" oriented master plan.

##### 4.1 ECONOMIC DEVELOPMENT ISSUES

Economic development takes place in an environment that is conducive to business and industry realizing a profit. Although this may appear to be obvious, the factors which comprise the urban investment and reinvestment environment are not comprehensively understood. By systematically setting forth a set of "causal factors," it will be possible to:

- determine what factors affect various sectors of the local economy
- determine the importance of selected factors
- identify what factors the City can influence

associate identified "issues" and selected factors with various projects and programs to understand how the City can alter the economic development environment

formulate a dynamic strategy to improve Newark's competitive advantage.

These "causal factors" are considered, to a varying degree, by all firms wishing to locate in Newark, as well as by those firms contemplating a decision to expand, move or remain in the City. Certain factors relate to conditions which will improve the level of resident employment, income and business venture opportunities.

These factors have been classified as community related, labor related, market related, and service or support related. See Table 4.1. As local economic development goals and objectives are presented in the City's Master Plan they will be associated with these factors to establish a framework for formulating an economic development strategy. Such a strategy is composed of policies, programs, and projects that will have an appropriate impact on the economic development environment.

The specific action programs and projects are contained in a short range (five year) urban development program that is a specific guide for public action. It will be updated and extended regularly, much like the process used in the City's Capital Improvement Program.

#### a) Community Related Issues

In Newark, community related issues that have an adverse effect on the City's economic development environment center on land taxes, availability of land, cost of land, availability



Table 4.1

## CAUSAL FACTORS IN THE MAIN AREAS OF THE ECONOMIC DEVELOPMENT ENVIRONMENT

City of Newark, New Jersey

I. Community Related

1. Business Taxes
2. Business Regulations
3. Environmental Compliance
4. Permit Approval Process
5. Availability of Capital
6. Availability of Land
7. Cost of Land
8. Real Property Taxes
9. Cost of Construction
10. Local Conditions
  - housing
  - education
  - public safety
  - leisure opportunities
  - ethnic/ethnic relations
  - public facilities
  - image
  - public policy management

II. Labor Related

1. Availability
  - skills inventory
  - accessibility
2. Cost (wages)
3. Productivity
4. Union Activity
  - rules
  - attitudes
  - influence

III. Market Related

1. Access to resources - unfinished/semi-finished goods
2. Proximity to Customers

IV. Service Related

1. Availability of Energy
  - type
  - cost
2. Public Utilities/Infrastructure

of capital and various other local conditions. Other factors, although important to certain private sector development decisions, do not appear to act as a particular deterrent to local economic development.

The property tax issue was raised rather often as being a deterrent for new development and a major excuse for existing firms moving from the City. The fact that Newark has one of the highest real estate tax rates in the Country (\$9.25 per \$100 assessed valuation - 1977), as well as a payroll tax assessed on employers (.75% for every payroll of \$2,500 or more per quarter in 1977), has helped to sustain local taxes as an economic development issue.

The extent to which taxes do affect economic development is difficult to determine. Owners of commercial properties, including office space, believe the tax question is more important than owners of industrial properties. In industry, the cost of production and subsequent profit tend to be more dependent on other variables, (e.g. labor and market) and are less affected by the small differential in total costs that small increase in local taxes would produce. On the other hand, the impact of local taxes on rental costs can be important to the narrower profit margins usually found in the trade sector. It is questionable, however, whether the tax issue is an emotionally charged attempt to spur action in a stagnant economic situation or whether local tax abatement is a key prerequisite to future development. The issue will be addressed as part of the economic development strategy.

4-3

The availability of land is an issue common to most central cities. In Newark, it is generally believed that the Meadowlands Area offers a great deal of land for large scale development; however, the City has only a small number of vacant tracts suitable for industry. The Meadowlands possess limited potential, but there is a significant amount of infrastructure that must be put into place to reduce flooding and provide adequate City services before it can be realized. In addition, many parcels are fragmented, restricting large projects to a few selected sites.

Urban renewal has also made land available in other areas of the City; however, it generally was not planned for industrial use. Most renewal land outside of the R-121 Meadowlands Area has been scheduled for residential, commercial and institutional uses. The Gateway Plaza and the institutional uses on the northwest side of the CBD are the major employment generating trade and service sector developments constructed on renewal sites.

A dense urban center cannot be expected to compete with outlying communities in offering large assembled parcels at low cost. It is possible, however, for the City to help meet the selected expansion needs of existing firms, as well as identify available sites and buildings to potential new business and industry. The key to the urban land issue is an ability to establish the most economically appropriate uses for all available property. An economic development strategy, especially in the context of a master plan, will address this land use issue.

Associated with the availability of land is the cost involved in obtaining sites and making them ready for development. Again, Newark is not unique among core cities. Land

costs are no more expensive and, in most cases, less expensive than in cities of comparable size. However, the costs associated with renovating, clearing and otherwise preparing sites often make development prohibitive. Renewal and rehabilitation programs can be applied to enhance Newark's competitive advantage. Such programs have helped to minimize some of the cost impacts.

The availability of capital is a community related issue that appears to have limited impact. Generally, for major developers, this was not an important issue. However, for small businessmen and minority investors there seemed to be difficulty in securing funds for development. If the Newark economy is to be revitalized, the financial institutions that are an important part of the economic base of the City must be committed to support local business. This will be an important area for public-private cooperation, as confidence in Newark is strengthened.

The remaining community related issues involve those areas that the City often has direct responsibility for in its provision of local services. Conditions in the City constitute a local living environment that does not relate directly to the so-called "bottomline," but yet create a general atmosphere that can either encourage or discourage economic vitality. Local conditions that impact the economy include:

- 1. Public Safety - Although Newark has statistically made significant progress in reducing crime, the negative perceptions of many people remain. It is an important issue among CBD merchants, large service sector employers, and small businesses. It is less of an issue for industrial firms.
- 2. Education - The public school system and the quality of education offered resident children is not a direct economic issue for business and industry

decisions due to the availability of a regional labor force. It is, however, a significant issue when dealing with the employability of the youth in Newark. The quality of a local educational system has a significant effect on community image.

Public Policy Management - Public policy management has become an economic issue. There is a need to have open communication between the public and private sectors and to clarify the procedures involved in the administration of the development process. Currently, there is renewed concern by both the public and private sector about the future of Newark and a growing choice to work closer together to achieve common goals.

Image - Newark's image was often cited as a deterrent to economic development. The question of image is more important to outsiders considering a Newark location than it is to resident firms who are more concerned with the particular conditions that establish an image.

Housing - Housing, as an issue, is related to the extent that housing policies affect the City's demographic make-up, the demands placed on city services and the loss of tax revenues. A housing strategy, although not based primarily on economic development concerns, must be prepared with a recognition of the relationships that exist between resident household and service needs and the local fiscal capacity to meet them.

Public Financial Viability - The financial viability of the City is an economic development issue in that a stable public sector helps to insure adequate service delivery, predictable tax rates and a perception of a competent, well-run administration. New Jersey has a prohibition against deficit financing, but, although the City's financial condition has improved, a diminishing tax base and an increasing demand for more services, continues to make the financial future of the city uncertain. An improved public financial situation is also crucial to implement a City effort to stimulate economic development.

#### b) Labor Related Issues

Labor related issues in Newark center on the skills and employability of resident workers. To a lesser extent, accessibility to places of employment is also an issue. Generally, wages, worker productivity, and union activities are not significant issues in Newark, at the present time.

In Newark, the availability of labor is not usually an issue with employers, since they can draw from a vast region for their work force. Improved skill levels, however, are extremely important to reduce unemployment among Newark residents. Given the low attainment level in the Newark school system and the extensive amount of Federal money available for manpower training, the ability to prepare people to enter an appropriate area of the local economy is an important factor in formulating an economic development strategy.

Accessibility to jobs is an issue associated with reducing local unemployment. Newark's regional location allows most people to have easy access to and from any desired destination. The issue only affects those people who can not afford the costs of private transportation and therefore, cannot reach employers located in areas not served by public transportation.

#### a) Market Related Issues

There is not a significant overriding issue related to business and industry having access to unfinished or semi-finished products, and, subsequently, being able to reach the customers for their finished goods and services. The transportation facilities that serve Newark have long been considered an asset for development. There are, however, particular proj-

ects related to the addition of new transportation facilities and services to provide access to developable parcels and to improve existing facilities. These types of projects will be addressed in the functional elements of the Plan and then be considered as components of the economic development strategy and urban development program.

#### #1 Service Related Issues

There are several issues associated with service related factors in Newark's economic development environment. The provision of adequate utilities and infrastructure to permit development in areas appropriate for industrial use, especially in Planning Area 5, is another project oriented issue to be addressed in the context of a city strategy.

An increasing concern to developers is the availability and cost of energy. Since Newark cannot directly affect either the supply or price of various power sources it is not an issue which can be significantly affected by a City strategy. The situation is both regional and national in scope, thereby, placing Newark in a position that is similar to other communities in the Northeast.

#### 4.2 PHYSICAL AND SOCIAL DEVELOPMENT ISSUES

Newark's "quality of life" is closely related to its physical and social character. The environment for economic development is also affected by certain physical and social conditions. It is clearly evident that numerous areas the City exhibit physical and social conditions adverse to a pleasant living, working or leisure-time environment and to a desirable economic development environment. A number of major issues

have been identified, which concern land-use, transportation, community facilities, recreation/open space, utilities/infrastructure, and the environment. A brief discussion of these major issues follows.

a) Land-Use Related Issues

In Newark, numerous residential neighborhoods exhibit the characteristics of instability and continued deterioration. Abandoned properties, some debris-filled lots, buildings in dangerous condition, and salvagable, but boarded-up buildings are scattered throughout these neighborhoods. Curtailment of this abandonment and recycling of salvagable buildings and vacant lots is a major development issue.

Support facilities for the neighborhoods are also inadequate. Neighborhood shopping facilities, for the most part, are strip commercial shopping areas frequently lacking a major food store and other retail and service businesses necessary for everyday shopping. Also, most of these "strip" shopping areas exhibit the same deficiencies as their adjoining residential neighborhoods, i.e., numerous vacancies, abandonment, little off-street parking, no pedestrian amenities, and mixed non-shopper industrial and commercial land-uses. Another issue related to residential neighborhoods is that of "sorting out" the numerous mixed uses in order to provide better service and remove the conflicts and incompatibility between activities.

Another major land-use issue relates to the provision of an adequate environment for industrial and commercial activity. The dramatic loss of jobs from the City during the past decade and the existence of large quantities of vacant commercial and industrial space represent major obstacles to the achievement



of goals in such areas as the creation and maintenance of jobs and of a viable tax base. Several major sub-issues related to this need also must be dealt with. These include:

- Improving the environment of existing commercial and industrial activities through such actions as: removal of blighting and conflicting land-uses; provision of space for expansion and needed parking and loading facilities; rehabilitation and modernization of older industrial buildings; and provision of sites for new construction.
- Provision of improved access, particularly for large trucks, and in locations which are now relatively isolated.
- Provision of a reasonable tax structure and adequate financing.
- Provision of drainage, utilities and other improvements required to make land suitable for use and development.

The need and opportunity to improve the environment for industrial and commercial activity is largely concentrated in an area parallel to and between Broad Street and the Passaic River.

Another major issue concerns that of the Central Business District. Although in many ways the Newark central area is relatively strong, it has experienced substantial decline and may be in danger of even further loss of vitality and activity. With the continued existence of a number of major office buildings in the area and with the construction of the new Public Service building, office functions can remain relatively strong. Government functions have been expanded in the area and may be expected to grow. However, retail and certain other functions are particularly vulnerable. There is a critical need to maintain retailing as viable activity in the Newark

Central Business District and continue to provide an environment in which office, shopping, entertainment, residential, hotel, meeting, and related functions can and will be performed.

The continued strength of the central area is vital to the maintenance of a strong job and tax base within the City, to the provision of reasonable and decent access to a wide variety of goods and services, and to the City's image.

b) Transportation Related Issues

In the most general terms, the transportation issues facing Newark fall into two major categories. First, the need for improved access between the City of Newark and the excellent regional transportation system which bypass and traverse the City, and second, the need for improvements to the local circulation and distribution system in various parts of the City. These major transportation issues are those which have a significant impact upon the economic development environment in the City. As the pattern of land-use and streets have historically focused traffic into and through the center of the City, better access from I-78 and I-280 must be addressed. This will make it possible to divert unwanted through traffic from the residential neighborhoods and improve internal access and safety, and reduce energy requirements.

c) Community Facility Related Issues

The burden on the public school system and other community facilities, such as fire and police facilities, libraries and other cultural facilities, health facilities, and city administrative and operating agencies is an issue of major concern. Construction of new space, rehabilitation of existing build-

ings, or abandonment of outdated and unneeded facilities is an issue that must be addressed. If the needs of the local residents are to be adequately met, major efforts will be required to provide facilities and services at levels necessary to support the existing population and to encourage economic development.

d) Recreation/Open Space Issues

Relatively high population densities and land coverage create a need for recreation and open space which are not being fully met within Newark. If the needs of local residents are to be adequately met and if the City is to attract new investment, the provision of suitable amounts of recreation and open space in each neighborhood is an issue that must be addressed. It is obvious that most residential sections of the City are deficient in recreation facilities, either because open space is not available or that existing areas are over-utilized to the extent that they are prematurely deteriorating and require excessive maintenance.

e) Utilities/Infrastructure Related Issues

The age and condition of the utility system serving the City is a major issue facing the community. Unless basic systems are maintained and/or replaced, and new facilities provided in areas not now served, it will be difficult to achieve other major development objectives.

f) Environmental Issues

Environmental issues include a range of concerns affecting human health, e.g., noise, air and water quality and waste disposal. The noise issue is most closely associated with heavy background noise along arterial streets, particularly strip commercial streets in residential areas. Noise associated with the operation of Newark Airport may be a future problem in the East Ironbound area.

Air quality bears the largest and most obvious relationship to economic development in the City, particularly as air quality relates to transportation and parking. Therefore transportation control plans must be directed at reducing overall vehicle miles traveled, time spent traveling, and concentrations of parking. Other stationary sources of air pollution are an issue only in the East Ward, and planning in this area must be cognizant of this issue.

The water quality issue relates to both the provision of water for consumption and waters in and surrounding the City that are available for recreational or commercial use. As the City receives most of its water from the Pequannock watershed, the impact of future development on this northern New Jersey area must be considered.

The principal issue concerning solid waste is litter in the streets and in public places. Disposal of solid waste is less an issue due to development of a resource recycling facility.

g) Urban Amenity Related Issues

This category of issues has to do with the appearance and image of the City -- critical factors in its economic revitalization. Issues which will have attention in the Master Plan include:

- Approaches to the City - There are numerous opportunities to improve the approaches to the City, through better traffic control, street beautification, maintenance of vacant properties, sign control, etc.
- Vacant lots/structures - A pervasive, almost overwhelming problem; requires a better management approach.
- Use of natural resources - The City has, over the year, "turned its back" on resources like the Passaic River, which has development potential.
- Architectural/historical features - The City is rich in buildings and areas of distinctive character for cultural and physical reasons. The plan to renovate the James Street Commons area is indicative of actions which should take place throughout the City.
- Major open space - The value of the City's large and attractive parks need to be extended to benefit a greater number of residents. Their visual attractiveness should be improved.